Form 5500	Annual Return/Report of Employee Benefit Plan	OMB Nos. 1210-0110 1210-0089
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ **Complete all entries in accordance with the instructions to the Form 5500.**	**2011** **This Form is Open to Public Inspection**

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [ ] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
TESORO CORPORATION RETAIL SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 005

1c Effective date of plan 01/01/2001

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

TESORO CORPORATION

19100 RIDGEWOOD PARKWAY
SAN ANTONIO, TX 78259

2b Employer Identification Number (EIN) 95-0862768

2c Sponsor's telephone number 210-626-6000

2d Business code (see instructions) 324110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/30/2012	LAUREN J. BUTLER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/30/2012	LAUREN J. BUTLER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") TESORO CORPORATION 19100 RIDGEWOOD PARKWAY SAN ANTONIO, TX 78259	**3b** Administrator's EIN 95-0862768 **3c** Administrator's telephone number 210-626-6000

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:		**4b** EIN
a Sponsor's name		**4c** PN

5 Total number of participants at the beginning of the plan year	**5**	1893
6 Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a Active participants	**6a**	1653
b Retired or separated participants receiving benefits	**6b**	11
c Other retired or separated participants entitled to future benefits	**6c**	321
d Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	1985
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	12
f Total. Add lines **6d** and **6e**	**6f**	1997
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	1193
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2H 2J 2K

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1)	☐ Insurance	**(1)**	☐ Insurance
(2)	☐ Code section 412(e)(3) insurance contracts	**(2)**	☐ Code section 412(e)(3) insurance contracts
(3)	☒ Trust	**(3)**	☒ Trust
(4)	☐ General assets of the sponsor	**(4)**	☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- **(1)** ☒ **R** (Retirement Plan Information)
- **(2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** ☒ **H** (Financial Information)
- **(2)** ☐ **I** (Financial Information – Small Plan)
- **(3)** ☐ ___ **A** (Insurance Information)
- **(4)** ☐ **C** (Service Provider Information)
- **(5)** ☒ **D** (DFE/Participating Plan Information)
- **(6)** ☐ **G** (Financial Transaction Schedules)

SCHEDULE D (Form 5500)	DFE/Participating Plan Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan TESORO CORPORATION RETAIL SAVINGS PLAN	**B** Three-digit plan number (PN) ▶ 005
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 TESORO CORPORATION	**D** Employer Identification Number (EIN) 95-0862768

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: TESORO CORP SAVINGS PLAN MASTER TRS

b Name of sponsor of entity listed in (a): TESORO CORPORATION

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
95-0862768-100	M	4099514

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

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b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

a Plan name

b Name of plan sponsor | **c** EIN-PN

SCHEDULE H (Form 5500)	Financial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
TESORO CORPORATION RETAIL SAVINGS PLAN

B Three-digit plan number (PN) ▶ 005

C Plan sponsor's name as shown on line 2a of Form 5500
TESORO CORPORATION

D Employer Identification Number (EIN)
95-0862768

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	590621	558501
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	461447	591023
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	3753461	4099514
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	4805529	5249038
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	4805529	5249038

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	657702	
(B) Participants	2a(1)(B)	253306	
(C) Others (including rollovers)	2a(1)(C)	10190	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		921198
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	23710	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		23710
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		144548
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		1089456
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	645947	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		645947
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		645947
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		443509
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [ ] Yes [X] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST AND YOUNG LLP **(2)** EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

			Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		10000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)	Retirement Plan Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
TESORO CORPORATION RETAIL SAVINGS PLAN

B Three-digit plan number (PN) ▶ 005

C Plan sponsor's name as shown on line 2a of Form 5500
TESORO CORPORATION

D Employer Identification Number (EIN)
95-0862768

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-6568107 _____

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information

(If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs

(see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Ernst & Young LLP
Frost Bank Tower
Suite 1800
100 West Houston Street
San Antonio, Texas 78205-1403

Tel: 210 228 9696
Fax: 210 242 7252
www.ey.com

Report of Independent Auditors

We have audited each of the accompanying statements of net assets available for benefits of Tesoro Corporation Thrift Plan and Tesoro Corporation Retail Savings Plan (collective referred to as the Plans) as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for each of the Plans for the year ended December 31, 2011. These financial statements are the responsibility of the Plans' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plans' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plans' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements for each of the Plans referred to above present fairly, in all material respects, the net assets available for benefits for each of the Plans at December 31, 2011 and 2010, and the changes in their net assets available for benefits for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States.

Our audits were conducted for the purpose of forming an opinion on the financial statements for each of the Plans as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2011, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plans' management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements for each of the Plans. The information has been subjected to the auditing procedures applied in the audits of each of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements for each of the Plans as a whole.

Ernst & Young LLP

June 15, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2011

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ……to ……

Commission File Number 1-3473

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Tesoro Corporation Thrift Plan
Tesoro Corporation Retail Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principle executive office:

Tesoro Corporation

19100 Ridgewood Pkwy
San Antonio, Texas 78259

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Employee Benefits Committee of
Tesoro Corporation Thrift Plan and Tesoro Corporation Retail Savings Plan

We have audited each of the accompanying statements of net assets available for benefits of Tesoro Corporation Thrift Plan and Tesoro Corporation Retail Savings Plan (collectively referred to as the Plans) as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for each of the Plans for the year ended December 31, 2011. These financial statements and supplemental schedule are the responsibility of the Plans' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plans' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plans' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements for each of the Plans referred to above present fairly, in all material respects, the net assets available for benefits for each of the Plans at December 31, 2011 and 2010, and the changes in their net assets available for benefits for the year ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the financial statements for each of the Plans taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2011, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plans' management. The information has been subjected to the auditing procedures applied in our audits of the financial statements for each of the Plans and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ ERNST & YOUNG LLP

San Antonio, Texas
June 15, 2012

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2011

	Thrift Plan (Plan No. 002)	Retail Savings Plan (Plan No. 005)
Investment in the Tesoro Corporation Savings Plan Master Trust	$ 565,597,520	$ 4,099,514
Receivables:		
Employer contributions	—	558,501
Notes receivable from participants	19,953,174	591,023
Total Receivables	19,953,174	1,149,524
NET ASSETS	585,550,694	5,249,038
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(1,198,097)	(6,150)
NET ASSETS AVAILABLE FOR BENEFITS	$ 584,352,597	$ 5,242,888

See the accompanying notes to the financial statements.

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2010

	Thrift Plan (Plan No. 002)	Retail Savings Plan (Plan No. 005)
Investment in the Tesoro Corporation Savings Plan Master Trust	$ 528,548,654	$ 3,753,461
Receivables:		
Employer contributions	—	590,621
Notes receivable from participants	18,772,470	461,447
Total Receivables	18,772,470	1,052,068
NET ASSETS	547,321,124	4,805,529
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(365,457)	(1,351)
NET ASSETS AVAILABLE FOR BENEFITS	$ 546,955,667	$ 4,804,178

See the accompanying notes to the financial statements.

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Thrift Plan (Plan No. 002)	Retail Savings Plan (Plan No. 005)
ADDITIONS		
Plan interest in the Tesoro Corporation Savings Plan Master Trust	$ 24,683,254	$ 151,783
Interest income on notes receivable from participants	898,255	23,710
Contributions:		
Employer	18,501,038	657,702
Participants	34,399,123	263,496
Total contributions	52,900,161	921,198
TOTAL ADDITIONS	78,481,670	1,096,691
DEDUCTIONS		
Withdrawals and terminations	40,904,052	645,947
Administrative expenses	180,688	12,034
TOTAL DEDUCTIONS	41,084,740	657,981
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	37,396,930	438,710
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	546,955,667	4,804,178
End of year	$ 584,352,597	$ 5,242,888

See the accompanying notes to the financial statements.

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS

NOTE A - DESCRIPTION OF THE PLANS

The accompanying financial statements comprise the defined contribution plans of Tesoro Corporation ("Tesoro" or the "Company") that participate in the Tesoro Corporation Savings Plan Master Trust (the "Master Trust"). The following description of the Tesoro Corporation Thrift Plan and the Tesoro Corporation Retail Savings Plan (the "Plans") provides only general information. Participants should refer to the applicable formal plan document for more complete information. The Plans are subject to, and comply with, the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

The purpose of the Plans is to encourage Company employees to save and invest a portion of their eligible compensation, as defined, to have an additional source of income upon their retirement or disability, or for their family in the event of death. Benefits provided by the Plans will be in addition to benefits participants are entitled to receive under any other programs of the Company and from the Federal Social Security Act.

The investments in the Master Trust are held by Fidelity Management Trust Company ("Fidelity" or the "Trustee"). Fidelity is responsible for holding, investing and accounting for the assets of the Plans and maintaining separate accounts for all participants of the Plans. The Plans are administered by the Employee Benefits Committee, consisting of individuals appointed by the Board of Directors of the Company.

Tesoro Corporation Thrift Plan

The Tesoro Corporation Thrift Plan ("Thrift Plan"), originally adopted as of April 1, 1979, is a voluntary defined contribution plan and is open to certain non-union employees of Tesoro. Employees whose positions are covered by a collective bargaining agreement may participate if the Thrift Plan is included in the agreement.

Participant Contributions - Contributions are made to the Thrift Plan by the Company on behalf of each eligible employee based upon their elected compensation deferral through payroll deductions. Beginning January 1, 2011, participants could contribute up to 50% of eligible pay on a pre-tax, catch-up contribution basis or combination of both, and could also contribute up to 25% of eligible pay on an after-tax basis. The total pre-tax contribution amount cannot exceed the annual Internal Revenue Service ("IRS") dollar limit ($16,500 in 2011). Employees age 50 and over may elect to contribute an additional pre-tax catch-up contribution ($5,500 in 2011) to the Thrift Plan. Certain highly compensated employees may be subject to more restrictive maximum deferrals, including no after-tax contributions.

Employer Contributions - The Thrift Plan allowed for a Company match on the first 6% in 2011 of pre-tax contributions to the Thrift Plan, including "catch-up contributions." The Thrift Plan was amended, effective January 1, 2011, to revise the definition of eligible base pay to exclude certain unscheduled overtime. After-tax contributions to the Thrift Plan are not matched by the Company and bonus pay is no longer matched by the Company as of January 1, 2011. The Thrift Plan provides that at least 50% of the Company's matching contributions are to be invested in the common stock of the Company, held in the Tesoro Corporation Common Stock Fund (the "Tesoro Stock Fund"), when the contributions are made. The remainder of the Company's matching contributions is invested in one or more of the investment options, or the Tesoro Stock Fund, at the option of the participant. Immediate exchanges of Company matching contributions into the Tesoro Stock Fund can be made unlimited times per calendar year, as well as exchanges out of the Tesoro Stock Fund into other Thrift Plan investments.

Effective August 2011, the Employee Benefit Committee approved the removal of the requirement that 50% of Tesoro's matching contributions to employees be directed to the Tesoro Stock Fund and allowed employees to use their own contributions to invest in the Tesoro Stock Fund. Tesoro registered these shares with the Securities and Exchange Commission on August 8, 2011.

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS

Vesting - Employees are fully vested at all times in their participant and Company non-elective contributions. Company matching contributions and any related earnings are 100% vested after one year of service. Upon voluntary termination of employment prior to normal retirement for reasons other than disability or death, an employee shall be entitled to the total of his or her participant contributions to the Thrift Plan and the vested portion of the Company contributions made to the employee's account. Generally, vesting service begins with the employment date and ends upon termination of service with the Company.

Forfeitures - Upon termination of service, a participant's nonvested portion of the Company's matching contribution may be used to reduce future employer contributions or to pay reasonable administrative expenses. At December 31, 2011 and 2010, forfeited nonvested accounts totaled $118,265 and $94,947, respectively. During the year ended December 31, 2011, no forfeited nonvested accounts were used to reduce employer contributions or to pay administrative expenses.

Tesoro Corporation Retail Savings Plan

The Tesoro Corporation Retail Savings Plan ("Retail Savings Plan"), adopted as of January 1, 2001, is a voluntary defined contribution plan and is open to all retail store employees of Tesoro Refining and Marketing Company, Tesoro West Coast, LLC, Tesoro Hawaii Corporation and Tesoro Northstore Company up through the assistant manager level who have completed one year of service and have worked at least 1,000 hours during their first year of service or any calendar year thereafter.

Participant Contributions - Eligible employees who choose to participate could contribute up to 50% of their eligible pay on a pre-tax basis in 2011, up to the annual IRS dollar limit ($16,500 in 2011). Additionally, participants who have attained age 50 before the close of the Retail Savings Plan year shall be eligible to make catch-up contributions subject to the limitations of the IRS dollar limit ($5,500 in 2011).

Employer Contributions - The Retail Savings Plan provides a 50% match on the employee's first 6% of elective deferral contributions for each pay period. The Retail Savings Plan was amended, effective January 1, 2011, to revise the definition of eligible base pay to exclude certain overtime. Bonus pay is no longer matched by the Company. The Retail Savings Plan provides that at least 50% of the Company's matching contributions are to be invested in the common stock of the Company, held in the Tesoro Stock Fund, when the contributions are made. The remainder of the Company's matching contributions is invested in one or more of the investment options, or the Tesoro Stock Fund, at the option of the participant. Immediate exchanges of Company matching contributions into the Tesoro Stock Fund can be made unlimited times per calendar year, as well as exchanges out of the Tesoro Stock Fund into other Retail Savings Plan investments.

Effective August 2011, the Employee Benefit Committee approved the removal of the requirement that 50% of Tesoro's matching contributions to employees be directed to the Tesoro Stock Fund and allowed employees to use their own contributions to invest in the Tesoro Stock Fund. Tesoro registered these shares with the Securities and Exchange Commission on August 8, 2011.

Under the Retail Savings Plan, the Company contributes a 3% non-elective contribution ("NEC") of the participant's eligible earnings paid during the period. If a participant does not make a deferral election, the default contribution will be to the participant's age appropriate lifecycle fund. Beginning with the 2010 plan year, this 3% NEC was made in one payment after the end of the plan year. The 2011 and 2010 NEC contributions for $558,501 and $590,621, respectively, are reflected as an Employer Contribution Receivable on the Statements of Net Assets Available for Benefits and were contributed by the Company in March 2012 and April 2011, respectively.

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS

Vesting - Employees are fully vested at all times in their participant and Company (NEC and matching) contributions as well as discretionary non-elective deferrals. Upon termination of employment, an employee shall be entitled to the total of his or her participant contributions to the Retail Savings Plan and the Company contributions made to the employee's account.

General

Participant Accounts - Individual accounts are maintained for each of the Plans' participants. Each participant's account is credited with the participant's contribution, the Company's contributions and the respective Plans' earnings and charged with withdrawals and an allocation of the respective Plans' losses. Allocations are based on participant earnings or account balances, as defined. The participant is only entitled to benefits held in their vested account.

Investment Options - Participants may elect to invest in numerous investment options offered under their respective plan. Participants may change the percentage they contribute and the investment direction of their contributions. Effective August 8, 2011, the investment options offered under the Plans were replaced with lower-cost versions of the same fund, or replaced with a lower cost index-fund alternative. The investment menu is comprised of target date funds, actively managed funds, index funds and the Tesoro Stock Fund. Several investment options previously offered were eliminated.

Loans - Participants can borrow the lesser of $50,000 or one half of their vested account balance from the Plans with a minimum loan of $1,000. Such loans are secured by the participant's vested account balance and bear interest at the prime rate plus 1%. Outstanding loans for the Thrift Plan and Retail Savings Plan at year-end incur interest at rates between 4.25% and 10.0% and 4.25% and 9.25%, respectively. The Plans allow for new loans with original terms of six months to five years. Upon termination of employment, the loan repayment may continue at the election of the participant. If payments are in default, the unpaid loan balance will be treated as a distribution to the participant.

Payment of Benefits - Upon termination of employment, involuntary layoff, retirement, disability or death, the participant or the participant's beneficiary (distributee) will be provided the opportunity to request a distribution from the Plans. The Thrift Plan permits at-will withdrawals of the after-tax employee contributions. Any hardship withdrawals from amounts constituting the before-tax employee contribution will result in a six-month suspension of further contributions.

Administrative Expenses - The Plans' documents allow for the payment of administrative expenses by either the Plans or the Company. It has been a general practice for the Company to pay the administrative expenses of the Plans, except for those related to participant loans or withdrawals.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Plans have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates - The preparation of financial statements in conformity with U.S. GAAP requires plan management to make estimates that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from those estimates.

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS

New Accounting Pronouncements - In May 2011, the Financial Accounting Standards Board ("FASB") amended the standard covering fair value measurements and disclosures, in order to converge the fair value measurement guidance in U.S. GAAP and International Financial Reporting Standards ("IFRS"). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in the previous standard. In addition, the amendments require additional fair value disclosures. The amendments will be applied prospectively and are effective for annual periods beginning after December 15, 2011. The Plans' management is currently evaluating the effect that the provisions of this amended standard will have on the Plans' financial statements and does not believe it will have a material effect on the Plans' net assets available for benefits or changes in net assets available for benefits.

In January 2010, the FASB amended the standard covering fair value measurements to require additional disclosures, including transfers in and out of Level 1 and 2 fair value measurements, the gross basis presentation of the reconciliation of Level 3 fair value measurements, and fair value measurement disclosure at the class level, as opposed to category level, as previously required. This guidance is effective for interim and annual reporting periods beginning after December 15, 2009, except for disclosures related to Level 3 fair value measurements, which are effective for fiscal years beginning after December 15, 2010 (including interim periods). In addition, the standard also clarified the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. Since this standard only affects fair value measurement disclosures, its adoption did not affect the Plans' net assets available for benefits or its changes in net assets available for benefits.

Investment Valuation and Income Recognition - Investments held by the Master Trust are stated at fair value. Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (an exit price). See Note D for further discussion and disclosures related to fair value measurements. Shares of mutual funds are valued using quoted market prices from national securities exchanges, which represent the net asset value of shares held by the Master Trust at year-end. Common stock is valued at the closing price reported on the active market on which the individual security is traded. Common/ collective trust funds are stated at net asset value ("NAV") as determined by the issuer of the fund.

The Fidelity Managed Income Portfolio and Portfolio II are common/collective trust funds that invest in fully benefit-responsive investment contracts. The funds may invest in fixed interest insurance investment contracts, money market funds, corporate and government bonds, mortgage-backed securities, bond funds and other fixed income securities. The fair value of the Fidelity Managed Income Portfolio and Portfolio II is calculated by the issuer of the fund using a discounted cash flow model, which considers (i) recent fee bids as determined by recognized dealers, (ii) discount rate and (iii) the duration of the underlying portfolio securities. These funds are recorded at fair value (see Note D); however, since these contracts are fully benefit-responsive, an adjustment is reflected in the statements of net assets available for benefits to present these investments at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plans. The contract value represents contributions plus earnings, less participant withdrawals and administrative expenses.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Payments of Benefits - As of December 31, 2011 and 2010, there were no participant initiated withdrawals from either plan that had not been distributed. Benefit payments are recorded when paid.

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS

Notes Receivable from Participants - Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2011 or 2010. If a participant ceases to make loan repayments, and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced, and a benefit payment is recorded.

NOTE C - INTEREST IN THE TESORO CORPORATION SAVINGS PLAN MASTER TRUST

The Plans' assets are held in the Master Trust. The purpose of the Master Trust is the collective investment of assets of participating plans. Each participating Plans' interest in the Master Trust is based on account balances of the participants and their elected investment fund options. The Master Trust assets are allocated among the participating plans by assigning to each plan those transactions (primarily contributions, benefit payments, and plan-specific expenses) that can be specifically identified, and by allocating investment income and administrative expenses to the individual plans on a daily basis based on each participant's account balance within each investment fund option.

At December 31, 2011 and 2010, the percentage interests in the net assets of the Master Trust were as follows:

	December 31,	
Plan	**2011**	**2010**
Thrift Plan	99%	99%
Retail Savings Plan	1%	1%
	100%	100%

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS

The percentage interest in each of the investment fund options within the Master Trust as of December 31, 2011 is disclosed below:

Investment Type / Fund Name	December 31, 2011	Thrift Plan	Retail Savings Plan
Common Stock			
Tesoro Stock Fund	$ 119,850,255	99.20%	0.80%
Mutual Funds			
Bonds			
PIMCO Total Return Inst	28,544,801	99.93%	0.07%
American Century Infl AdjBD Is	8,423,596	100.00%	—%
Vang Tot BD Mkt Inst	33,719,213	99.76%	0.24%
Equities			
Fidelity Contrafund K	72,489,440	99.73%	0.27%
WHG SMid Cap Inst	38,554,762	100.00%	—%
Alger SMid Cap Grth Z	11,484,269	99.87%	0.13%
Spartan 500 Index Inst	41,870,405	99.97%	0.03%
Spartan Extnd Mkt Idx Adv	21,611,323	99.99%	0.01%
Spartan Intl Index Ins	17,069,141	100.00%	—%
Fidelity Puritan K	58,516,527	99.66%	0.34%
Lifecycle Funds			
Fidelity Freedom Indx Inc W	557,690	96.42%	3.58%
Fidelity Freedom Indx 2000 W	224,505	93.07%	6.93%
Fidelity Freedom Indx 2005 W	283,395	93.12%	6.88%
Fidelity Freedom Indx 2010 W	1,505,940	92.30%	7.70%
Fidelity Freedom Indx 2015 W	5,654,079	97.43%	2.57%
Fidelity Freedom Indx 2020 W	7,617,018	91.12%	8.88%
Fidelity Freedom Indx 2025 W	4,413,980	95.17%	4.83%
Fidelity Freedom Indx 2030 W	4,704,365	92.47%	7.53%
Fidelity Freedom Indx 2035 W	3,515,629	94.75%	5.25%
Fidelity Freedom Indx 2040 W	2,782,778	90.88%	9.12%
Fidelity Freedom Indx 2045 W	3,200,148	95.07%	4.93%
Fidelity Freedom Indx 2050 W	2,287,435	91.84%	8.16%
Common/collective Trust Funds			
Fidelity Managed Income Portfolio II	49,564,316	99.49%	0.51%
Robeco LG Cap Val CT	4,373,595	100.00%	—%
Artisan Intl Growth	26,878,429	99.93%	0.07%
Total net assets available for benefits for participating plans, at fair value	569,697,034		
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(1,204,247)		
Total net assets available for benefits for participating plans	$ 568,492,787		

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS

The percentage interest in each of the investment fund options within the Master Trust as of December 31, 2010 is disclosed below:

Investment Type / Fund Name	December 31, 2010	Thrift Plan	Retail Savings Plan
Common Stock			
Tesoro Stock Fund	$ 102,913,332	99.17%	0.83%
Mutual Funds			
Bonds			
PIMCO Total Return Inst	31,872,823	99.95%	0.05%
Fidelity Government Income	21,813,289	99.50%	0.50%
Fidelity U.S. BD Index	899,687	99.96%	0.04%
American Century Infl AdjBD Is	1,178,472	100.00%	—%
Equities			
Fidelity Contrafund K	80,801,140	99.76%	0.24%
WHG SMid Cap Inst	39,475,226	100.00%	—%
Alger SMid Cap Grth I	12,829,213	99.86%	0.14%
Spartan 500 Index	36,272,310	99.97%	0.03%
John Hancock Dscpl Val I	3,540,331	100.00%	—%
Spartan Extnd Mkt Index	24,357,818	100.00%	—%
Artisan Intl	32,352,370	99.94%	0.06%
Spartan Intl Index	11,735,704	100.00%	—%
Fidelity Puritan K	60,300,039	99.65%	0.35%
Lifecycle Funds			
Fidelity Freedom K Income	689,945	97.54%	2.46%
Fidelity Freedom K 2000	183,633	85.89%	14.11%
Fidelity Freedom K 2005	173,590	88.42%	11.58%
Fidelity Freedom K 2010	2,336,302	94.52%	5.48%
Fidelity Freedom K 2015	4,956,030	97.61%	2.39%
Fidelity Freedom K 2020	5,725,198	87.99%	12.01%
Fidelity Freedom K 2025	3,151,180	94.54%	5.46%
Fidelity Freedom K 2030	3,377,977	90.38%	9.62%
Fidelity Freedom K 2035	2,621,017	93.87%	6.13%
Fidelity Freedom K 2040	2,000,861	87.15%	12.85%
Fidelity Freedom K 2045	2,347,368	94.80%	5.20%
Fidelity Freedom K 2050	1,754,470	92.86%	7.14%
Common/collective Trust Funds			
Fidelity Managed Income Portfolio	31,123,560	99.53%	0.47%
Fidelity Managed Income Portfolio II	11,519,230	99.86%	0.14%
Total net assets available for benefits for participating plans, at fair value	532,302,115		
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(366,808)		
Total net assets available for benefits for participating plans	$ 531,935,307		

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS

Investment income of the Master Trust for the year ended December 31, 2011 is as follows:

	December 31, 2011
Net appreciation (depreciation) in fair value of investments:	
Tesoro Stock Fund	$ 27,727,610
Mutual Funds	(15,623,692)
Common/collective Trust Funds	(132,495)
	11,971,423
Interest and dividend income	12,863,614
Total Master Trust investment income	$ 24,835,037

NOTE D - FAIR VALUE MEASUREMENTS

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Financial assets and financial liabilities are classified into the following fair value hierarchy:

Level 1 - quoted prices in active markets for identical assets and liabilities;

Level 2 - quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability; and

Level 3 - unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS

The following tables present information about the Plans and related Master Trust's assets measured at fair value on a recurring basis and indicate the fair value hierarchy of the inputs utilized to determine the fair values as of December 31, 2011 and 2010.

	Assets at Fair Value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
Master Trust:				
Tesoro Stock Fund	$ 119,850,255	$ —	$ —	$ 119,850,255
Equity Funds:				
Large Cap	172,876,372	—	—	172,876,372
Small/Mid Cap	71,650,354	—	—	71,650,354
International Equities	17,069,141	—	—	17,069,141
Lifecycle Funds	36,746,962	—	—	36,746,962
Bonds	70,687,610	—	—	70,687,610
Common/collective Trust Funds				
Stable Value Fund (a)	—	49,564,316	—	49,564,316
Large Value Funds (b)	—	4,373,595	—	4,373,595
International Funds (c)	—	26,878,429	—	26,878,429
Total Master Trust	$ 488,880,694	$ 80,816,340	$ —	$ 569,697,034

	Assets at Fair Value as of December 31, 2010			
	Level 1	Level 2	Level 3	Total
Master Trust:				
Tesoro Stock Fund	$ 102,913,332	$ —	$ —	$ 102,913,332
Equity Funds:				
Large Cap	180,913,820	—	—	180,913,820
Small/Mid Cap	76,662,257	—	—	76,662,257
International Equities	44,088,074	—	—	44,088,074
Lifecycle Funds	29,317,571	—	—	29,317,571
Bonds	55,764,271	—	—	55,764,271
Common/collective Trust Funds				
Stable Value Funds (a)	—	42,642,790	—	42,642,790
Total Master Trust	$ 489,659,325	$ 42,642,790	$ —	$ 532,302,115

(a) This category consists of the Fidelity Managed Income Portfolio II in 2011 and the Fidelity Managed Income Portfolio I and II in 2010. These common/collective trust funds are designed to deliver safety and stability by preserving principal and accumulating earnings. These funds are primarily invested in guaranteed investment contracts and synthetic investment contracts. Participant-directed redemptions have no restrictions; however, the Plans are required to provide a one year redemption notice to liquidate their entire share in the funds. The fair value of these funds have been estimated based on the fair value of the underlying investment contracts in the funds as reported by the issuer of the funds. The fair value differs from the contract value. As previously discussed in Note B, contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plans.

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS

(b) This category consists of the Robeco Large Cap Value Equity Fund ("Equity Fund"), which is a collective investment trust. The Equity Fund's investment objective is to outperform its benchmark index, the Russell 1000 Value Index. The Equity Fund invests primarily in equity securities of U.S. and non-U.S. issuers, including, without limitation, American Depository Receipts of non-U.S. issuers, that are denominated in U.S. dollars and trade in U.S. markets, including, without limitation, on U.S. exchanges or in the over-the-counter market. Participant-directed redemptions have no restrictions; however, the Trustee reserves the right to require five business days advance written notice from the Plans for withdrawal. The fair value of the Equity Fund has been estimated based on the fair value of the underlying investments in the Equity Fund as reported by the issuer of the Equity Fund. The Equity Fund's investments consist of common stock and short-term investments.

(c) This category consists of the Artisan International Growth Trust Fund ("Trust Fund"), which is a collective investment trust. The investment objective of the Artisan International Growth Trust is to seek long-term capital growth by investing mainly in publicly traded corporate equities (including common and preferred stocks, warrants and depositary receipts) of non-U.S. companies across a broad capitalization range. Participant-directed redemptions have no restrictions; however, the Trustee reserves the right to require five business days advance written notice from the Plans for withdrawal. The fair value of the Trust Fund has been estimated based on the fair value of the underlying investments in the Trust Fund as reported by the issuer of the Trust Fund. The Trust Fund's investments consist of common stock and time deposits.

NOTE E - EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain investments of the Plans are shares of mutual funds managed by Fidelity. Fidelity is the Trustee as defined by the Plans and, therefore, these transactions qualify as exempt party-in-interest transactions. Fees paid by the Plans for investment management services were included as a reduction of the return earned on each fund.

At December 31, 2011 and 2010, the Plans held shares of common stock of Tesoro Corporation, the sponsoring employer, in the Master Trust. The number and the cost basis of the shares held by each of the Plans are shown below:

	December 31,	
Plan	**2011**	**2010**
Thrift Plan		
Number of shares	3,052,329	3,296,709
Cost basis of shares	$ 78,203,513	$ 78,423,280
Retail Savings Plan		
Number of shares	24,658	27,702
Cost basis of shares	$ 436,720	$ 451,929

NOTE F - PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plans to discontinue its contributions at any time and terminate the Plans subject to the provisions set forth in ERISA. In the event that the Plans are terminated, participants would become 100% vested in their account.

NOTE G - FEDERAL INCOME TAX STATUS

The Plans have received determination letters from the IRS (dated as shown below) stating that the Plans are qualified under Section 401(a) of the Internal Revenue Code (the “Code”) and, therefore, the related trust is exempt from taxation.

Plan	Date
Thrift Plan	March 4, 2010
Retail Savings Plan	August 26, 2010

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS

The Plans have been amended or restated since the most recent determination letters. Once qualified, the Plans are required to operate in conformity with the Code to maintain their qualification. The plans' administrator believes the Plans are being operated in compliance with the applicable requirements of the Code and therefore believes the Plans, as amended, are qualified and the related trust is tax-exempt.

U.S. GAAP requires management to evaluate uncertain tax positions taken by the Plans. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Plans and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken. The Plans have recognized no interest or penalties related to uncertain tax positions. The Plans are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2008.

NOTE H - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of the Plans' net assets available for benefits reported in the financial statements to the Form 5500:

December 31, 2011	Thrift Plan	Retail Savings Plan
Net assets available for benefits reported in the financial statements	$ 584,352,597	$ 5,242,888
Plus adjustments from fair value to contract value for fully benefit-responsive investment contracts	1,198,097	6,150
Net assets available for plan benefits reported in the Form 5500	$ 585,550,694	$ 5,249,038

December 31, 2010	Thrift Plan	Retail Savings Plan
Net assets available for benefits reported in the financial statements	$ 546,955,667	$ 4,804,178
Plus adjustments from fair value to contract value for fully benefit-responsive investment contracts	365,457	1,351
Net assets available for plan benefits reported in the Form 5500	$ 547,321,124	$ 4,805,529

The following is a reconciliation of the Plans' net change in net assets per the financial statements to the Form 5500:

December 31, 2011	Thrift Plan	Retail Savings Plan
Net increase in net assets available for benefits reported in the financial statements	$ 37,396,930	$ 438,710
Change in adjustments from fair value to contract value for fully benefit-responsive investment contracts	832,640	4,799
Total net income reported in the Form 5500	$ 38,229,570	$ 443,509

The accompanying financial statements present fully benefit-responsive contracts at contract value. The Form 5500 requires fully benefit-responsive investment contracts to be reported at fair value. Therefore, the adjustment from fair value to contract value for fully benefit-responsive investment contracts represents a reconciling item.

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS

NOTE I - RISKS AND UNCERTAINTIES

The Plans provide for investments in various securities through the Master Trust's investment funds offered to participants, including but not limited to, various mutual funds and equity of the Company, among others. Investment securities, in general, are exposed to various risks such as interest rate, credit, liquidity and overall market volatility risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for benefits and participant account balances.

NOTE J - SUBSEQUENT EVENTS

Beginning April 2, 2012, Thrift Plan and Retail Savings Plan participants may elect a Roth 401(k) contribution option, allowing participants to make contributions on an after-tax basis. The Company will match the combined pre-tax and Roth 401(k) contributions, up to the matching limit. Under the Roth 401(k) option, accumulated investment earnings on contributions are tax free to the participant on qualified distributions.

TESORO CORPORATION THRIFT PLAN
TESORO CORPORATION RETAIL SAVINGS PLAN
SCHEDULE H, LINE 4i -SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2011
EIN: 95-0862768

Identity of Issue, Borrower, Lessor, Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, Maturity Value	Cost	Current Value
Tesoro Corporation Thrift Plan (Plan No. 002)			
* Participant loans	Varying maturity dates with interest rates ranging from 4.25% to 10.0%	N/A	$ 19,953,174
Tesoro Corporation Retail Savings Plan (Plan No. 005)			
* Participant loans	Varying maturity dates with interest rates ranging from 4.25% to 9.25%	N/A	$ 591,023

* Indicates party-in-interest

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Tesoro Corporation Employee Benefits Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 15, 2012

TESORO CORPORATION THRIFT AND RETAIL SAVINGS PLANS

By: /s/ CRAIG M. LATORRE

Craig M. LaTorre

Chairman of the Tesoro Corporation Employee Benefits Committee and Vice President, Human Resources and Communications, Tesoro

EXHIBIT INDEX

Exhibit Number	Description
23.1	Consent of Independent Registered Public Accounting Firm for the Tesoro Corporation Thrift Plan
23.2	Consent of Independent Registered Public Accounting Firm for the Tesoro Corporation Retail Savings Plan

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-176132) pertaining to the Tesoro Corporation Thrift Plan of our report dated June 15, 2012, with respect to the financial statements and schedules of the Tesoro Corporation Thrift Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2011.

/s/ ERNST & YOUNG LLP

San Antonio, Texas
June 15, 2012

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-176132) pertaining to the Tesoro Corporation Retail Savings Plan of our report dated June 15, 2012, with respect to the financial statements and schedules of the Tesoro Corporation Retail Savings Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2011.

/s/ ERNST & YOUNG LLP

San Antonio, Texas
June 15, 2012

Schedule H, line 4i - Schedule of Assets (Held At End of Year)

Tesoro Corporation Retail Savings Plan

EIN/PN: 95-0862768 / 005

(b) Identity of issue	(c) Description of investment	(d) Historical Cost	(e) Current Market Value
Participant Loans	Varying maturity dates with interest rates ranging from : 4.25% to 9.25%	N/A	$591,023